

WC 04-181

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April 26, 2004

VIA OVERNIGHT DELIVERY

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
P.O. Box 358145
Pittsburgh, PA 15251-5145

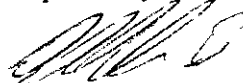
Re: Application of El Paso Networks, L.P. for Approval of Transfer of Control of Domestic Section 214 Authority

Dear Ms. Dortch

On behalf of El Paso Networks, L.P. ("Applicant"), please find an original and six (6) copies of an application for Commission approval to transfer control of Applicant and its operating subsidiaries.

Enclosed, please find a check in the amount of \$860.00 to cover the Commission's filing fee. Please date-stamp the enclosed extra copy of this filing and return it in the envelope provided. Please direct any questions regarding this filing to the undersigned.

Respectfully submitted,



Andrew D. Lipman

Joshua M. Bobeck

Douglas D. Orvis II

Counsel for El Paso Networks, L.P.

Enclosure

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
)	
El Paso Networks, L.P.)	WC Docket No. 04- _____
)	
Application for Approval of Transfer of)	
Control of Domestic Section 214 Authority)	

**APPLICATION FOR APPROVAL OF TRANSFER OF CONTROL OF DOMESTIC
SECTION 214 AUTHORITY**

El Paso Networks, L.P (“EPN”), through their undersigned counsel and pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214 (the “Act”), and Sections 63.04 and 63.24(a) of the Rules of the Federal Communications Commission (“Commission”), 47 C.F.R. §§ 63.04 and 63.24(a), hereby respectfully requests that the Commission grant authority, to the extent necessary, to permit EPN to conduct a sale of a partial interest in EPN which may constitute a *de facto* transfer of control of EPN. For the reasons outlined below, EPN files this application out of an abundance of caution, due to possible changes in the board of directors of EPN.

I. El Paso Networks, L.P.

EPN is a Delaware Limited Partnership providing both facilities-based and resold telecommunications services to customers in the United States, primarily in the state of Texas. EPN is presently an indirect, wholly-owned subsidiary of the El Paso Corporation, an energy company with extensive natural gas production and distribution operations. El Paso Corporation, in turn, is publicly-traded on the New York Stock Exchange under the symbol “EP”. EPN’s operations consist primarily of competitive local services in the state of Texas, although EPN does provide some limited domestic interstate services. EPN does not provide

international services and does not hold an international Section 214 authorization from this Commission.

II. The Proposed Transaction

For business reasons, EPN proposes to conduct a series of transactions (“Transactions”) whereby a minority interest in EPN will be sold to Genesis Park Telecom Partners, L.P. a Delaware Limited Partnership with its principal place of business at 2131 San Felipe, Houston, Texas 77019 (“Genesis”). Genesis is a private and venture capital fund that seeks developing and established businesses for strategic investments. At the conclusion of the Transactions, Genesis will own approximately 28.6% of the limited partnership interests in EPN. While such a minority transfer of ownership may not ordinarily fall under the Commission’s definition of a transfer of control, the Transactions also contemplate that the current make-up of the Board of Directors of EPN will be altered. It is for this reason, and the possibility that it could be considered a *de facto* transfer of control under the Commission’s rules, that EPN has filed this application.

Presently, EPN’s Board of Directors has five members, all elected by El Paso Corporation. At the completion of the Transactions, two members of the board will continue to be elected by El Paso Corporation, two will be elected by Genesis, and the fifth member will be chosen by mutual consent of Genesis and the El Paso Corporation. Because of the even division of four of the members of the Board, and due to the fact that the fifth member is subject to the consent of both the El Paso Corporation and Genesis, the Transactions could be considered a relinquishment of “positive control” of EPN, and thus conceivably a *de facto* transfer of control under the Commission’s rules.¹ Thus, out of an abundance of caution, EPN requests approval of

¹ See, 47 C.F.R. § 63.24(c) (transfers that involve less than fifty percent of the capital stock of a company must be evaluated on a case-by-case basis).

the Transactions, to the extent that they are deemed to constitute a transfer of control by the Commission.

III. Information Required by Section 63.04(a) of the Commission's Rules

In support of this Application, the Applicants submit the following information pursuant to Section 63.04(a) of the Commission's Rules.

- (1) Name, address and telephone number of Applicant:

El Paso Networks, L.P.
1001 Louisiana Street
Houston, TX 77002
(713) 420-2600

- (2) El Paso Networks, L.P. is organized under the laws of the state of Delaware.
- (3) Correspondence concerning this Application should be sent to EPN's counsel:

Andrew D. Lipman
Joshua M. Bobeck
Douglas D. Orvis II
Swidler Berlin Shereff Friedman, LLP
3000 K Street, NW, Suite 300
Washington, DC 20007-5116
(202) 424-7500 (Tel)
(202) 424-7645 (Fax)
JMBoback@swidlaw.com (Email)
DDOrvis@swidlaw.com (Email)

And counsel for Genesis

David Peterman
Fulbright & Jaworski
1301 McKinney, Suite 5100
Houston, Texas 77010-3095
(713) 651-3635 (Tel)
(713) 651-5246 (Fax)
DPeterman@fulbright.com (Email)

- (4) EPN's current ownership information is as follows:

El Paso Global Networks Company
1001 Louisiana Street
Houston, TX 77002
Citizenship: Delaware

Principal Business: Telecommunications
Percentage Held: 100%

El Paso Global Networks Company is owned by:

El Paso Corporation
1001 Louisiana Street
Houston, TX 77002
Citizenship: Delaware
Principal Business: Natural Gas/ Energy
Percentage Held: 100%

El Paso Corporation is a publicly traded company on the New York Stock Exchange, and thus ownership information changes frequently. El Paso Corporation's ten percent or greater shareholders are:

Brandes Investment Partners, LLC,
11988 El Camino Real
Suite 500
San Diego, CA 92130
Citizenship: Delaware
Principal Business: Investment Advisor
Percentage Held: 10.8%

Pacific Financial Research, Inc.
9601 Wilshire Boulevard
Suite 800
Beverly Hills, CA 90210
Citizenship: California
Principal Business: Investment Advisor
Percentage Held: 12.3%

Both of these entities are widely held, and thus, no shareholder in either entity holds a 10 percent or greater ownership in the EPN.

At the completion of the Transactions, El Paso Global Networks Company's ownership percentage will be reduced to approximately 71.4 percent. The remaining 28.6 percent will be owned by:

Genesis Park Telecom Partners, L.P.
2131 San Felipe
Houston, TX 77019
Citizenship: Delaware
Principal Business: Investments
Percentage Held: 28.6%

Genesis Park Telecom Partners, L.P. ten percent or greater shareholder is:

Genesis Park LP
2001 Hermann Drive
Houston, TX 77004
Citizenship: Delaware
Principal Business: Investments
Percentage Held: 35%

The General Partner of Genesis Park LP is:

Genesis Park GP Company LLC
2001 Hermann Drive
Houston, TX 77004
Citizenship: Delaware
Principal Business: Investments
Percentage Held: 35%

No shareholder in Genesis Park GP Company LLC hold a 10 percent or greater ownership in the EPN.

- (5) Applicant certifies, pursuant to Sections 1.2001 through 1.2003 of the Commission's Rules (implementing the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 3301), that they are not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.
- (6) A description of the Transactions is described above in section II.
- (7) EPN and its affiliates currently provide telecommunications services within the state of Texas. EPN currently provides facilities based local and both facilities-based and resold long distance service.
- (8) This Application is eligible for streamlined processing pursuant to Section 63.03(b)(1)(ii) of the Commission's Rules, 47 C.F.R. § 63.03(b)(1)(ii), because Genesis, the transferee and its affiliates, are not telecommunications providers. In addition, this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) of the Commission's Rules, 47 C.F.R. § 63.03(b)(2)(i). The Transactions will have no effect on the market share of EPN or its affiliates; EPN (and its affiliates) currently, and as a result of the Transactions, will have market share in the interstate, interexchange market of substantially less than 10 percent, and EPN and its affiliates are not now, nor will they become as a result of the Transactions, dominant with respect to any domestic service.
- (9) No other Applications are being filed with the Commission as part of the Transactions.
- (10) EPN does not seek special consideration of the Application due to imminent business failure.
- (11) Not Applicable.

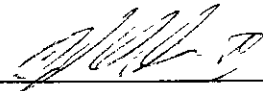
- (12) This Application is in the public interest because the infusion of new capital from Genesis into EPN will enable EPN to compete more effectively in the telecommunications marketplace. Access to increased capital will allow EPN flexibility in its service offerings and to grow its business. The increased competitive vigor that EPN receives will allow EPN to compete more forcefully in the telecommunications marketplace, which will inure to the benefit of telecommunications consumers. Increases in competitive choices provides consumers with more options, better service, and lower prices. As such, the proposed Transactions are in the public interest

IV. Conclusion

Based on the foregoing, the Transactions, including the potential *de facto* transfer of control of EPN will serve the public interest, convenience, and necessity, and to the extent that the Transactions are deemed at *de facto* transfer of control of EPN, they should be approved by the Commission.

Respectfully submitted,

El Paso Networks, L.P.

By: _____

Andrew D. Lipman
Joshua M. Bobeck
Douglas D. Orvis II
SWIDLER BERLIN SHEREFF FRIEDMAN, LLP
3000 K Street, N.W. Suite 300
Washington, DC 20007

Date: April 26, 2004

CERTIFICATION OF APPLICANT

On behalf of El Paso Networks, L.P. I hereby certify that the statements in the foregoing Application for approval for the transfer of control of domestic section 214 authority are true, complete, and correct to the best of my knowledge and are made in good faith.

By: Kent Major
Name: Kent Major
Title: Head of Corporate Development
Date: 4-22-, 2004